

SUMMARY APPRAISAL REPORT

for

Certain Assets of Capitol City Trailer, Inc.

Prepared for:

Sammons & Associates Co., L.P.A.

635 Park Meadow Road, Suite 101

Westerville, Ohio 43081

Phone: (614) 898-9522

Prepared by:



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Purpose of this Appraisal Report

The purpose of this report is to express an opinion of the *Fair Market Value* of designated assets, identified as trailers currently operated by Capitol City Trailer, Inc.

At the request of Mr. Christopher Grove of Sammons & Associates Co., L.P.A., qualified employees of Taylor & Martin, Inc. completed a Desktop Summary Appraisal Report of the vehicles outlined on the equipment lists provided by Mr. Grove.

Methods of Valuation

The methods of valuation used for this appraisal are the *Fair Market Value*.

Definition(s) of Value

Fair Market Value: Under the United States Treasury regulation 1.170-1(c) Fair Market Value is defined as: The price at which the property would change hands between a willing buyer and a willing seller, neither being under compulsion to buy or compulsion to sell and both having reasonable knowledge of relevant facts.

Highest and Best Use

Highest and Best Use: The reasonably probable and legal use of the property, which is legally permissible, physically possible, maximally productive, financially feasible, and results in the highest value. (Also, the most probable use, which reflects the most probable price, as of the effective date of the appraisal.) The *Highest and Best Use* for the equipment valued is its current use.

Approaches to Value

There are generally three accepted approaches to value, namely:

The *Cost Approach:* This approach is based upon the cost of replacing an item based upon utility-less depreciation. Depreciation can be measured from determining physical deterioration, functional utility and/or economic obsolescence. (This approach is often a reliable indication of value when original cost-new is known.)

The *Income Approach:* This approach is based upon the value of a property through the capitalization of the net earnings generated, if the property were fully utilized by the business.

The *Market Approach:* This approach is based upon the analysis of recently conducted comparable sales of comparable assets. (This approach is typically the most highly reliable approach to value, when there is a known used market.)

The *Market Approach* was relied upon heavily, due to the abundance of market information available through proprietary sales. The *Cost Approach* was relied upon as support to the appraised values given.

Basis of Appraisal

Valuation Date: The date of this valuation is June 22, 2007.

Inspection Date(s): No Inspection Dates. This is a Retrospective Desktop Summary Appraisal Report as of August 26, 2003.

Use of Appraisal Report: This report is for Sammons & Associates Co., L.P.A.'s in-house use in matters regarding Capitol City Trailer, Inc.

Factors Affecting Value

Condition: Rolling stock (tractors, trailers, etc.) prices can fluctuate dramatically, based on the condition of the machinery.

Marketability: Most of the equipment is of a type and price range that is subject to swings in the economy. The transportation market has recently shown an increased buyer interest but is more inconsistent than historical trends. Excess quantities of certain models can result in limited demand. Liquidations should anticipate some, (possibly extensive), remarketing time and/or deferred maintenance.

Recovery/Remarketing Costs: Our valuation does not include expenses necessary to recover or remarket any or all equipment listed.

Ownership: Ownership of the assets valued in this appraisal was not determined. Fee simple is assumed.

Value Quotes: All values are quoted in U.S. dollars only.

Value(s)

Fair Market Value

The *Fair Market Value* for the Capitol City Trailer, Inc. inventory itemized on pages 1 – 2 is:

\$129,000

(One Hundred Twenty-Nine Thousand Dollars)

The values stated in this Desktop Summary Appraisal Report are based on the best judgment of the appraiser(s), given the facts and conditions available at the date of this valuation.

Statement of Assumptions and Limiting Conditions

This Report is subject to specific assumptions and limiting conditions as noted throughout this Appraisal Report and in the list below. The use and interpretation of this Appraisal Report, without a thorough appreciation and understanding of these assumptions and limiting conditions would likely lead to erroneous conclusions. This Appraisal Report is subject to the following limiting conditions:

- The transmittal letter dated June 22, 2007 and accompanying text constitutes my entire Appraisal Report and should be read in its entirety. The Appraisal Report does not purport to express an all-inclusive list of all of the considerations undertaken in order to arrive at my opinion of value.
- Taylor & Martin, Inc., its officers, or employees have no interest or contemplated future interest in the equipment appraised. The fee for this Appraisal Report is not contingent upon the value expressed. No guarantee of value is expressed or implied.
- The conclusions reached in this Appraisal Report are the result of the evaluation, and analysis of information, some of which may have been received from Capitol City Trailer, Inc.. Capitol City Trailer, Inc.'s failure to disclose pertinent information, without our knowledge, could affect these conclusions. We have not conducted an audit and have relied on the information supplied by Capitol City Trailer, Inc. as being accurate and true.
- This Appraisal Report and the conclusions arrived at herein are for the exclusive use of Mr. Christopher Grove and Sammons & Associates Co., L.P.A., for court purposes and only for the stated valuation date, June 22, 2007. The conclusions reached represent the opinion of Michael E. Winterfeld, based upon information furnished to me by Mr. Grove, Capitol City Trailer, Inc. and other sources, and should not be considered legal advice.

Statement of Assumptions and Limiting Conditions (Continued)

- Public information and industry and statistical information has been obtained from sources deemed to be reliable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without further independent verification.
- This Appraisal Report is of a confidential nature and should not be disseminated or reproduced in any manner without my prior written consent. We will retain all records pertaining to the Appraisal in our files for a period of seven years, and maintain these in a confidential manner, subject only to legal processes or proceedings.
- This Appraisal Report is subject to the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of *The Appraisal Foundation* and *The American Society of Appraisers*.
- The Summary Appraisal is an appraisal reporting technique defined by USPAP as an estimate of value performed under current (July 1, 2006) Uniform Standards of Professional Appraisal Practice (USPAP), including, but not limited to: The Ethics Rule, The Competency Rule, Standard 7, Standard 8 and their supporting Statements and Comments.
- The sale or absence of existence, of any significant portion of the appraised items could have an affect on the value of the remaining equipment. Additionally, any material change in the composition and/or condition of the equipment appraised may have an impact on the values expressed in this Appraisal Report.
- The opinion of value is only for the stated valuation date, June 22, 2007, and only for the stated purpose.

Statement of Assumptions and Limiting Conditions (Continued)

- We have assumed that a seller would be provided with unrestricted access to enter and use Capitol City Trailer, Inc.'s facilities for the purpose of preparing the equipment for sale and conducting a sale. Our estimated timeframe assumes that access to the facilities would be unimpeded from the date of the initiation of a sale. Were there to be delays in the availability of the facilities, for any reason, including unresolved legal issues, overdue facility payments, or other unknown logistical problems, the time period, and thus the expenses of the sale, would be impacted.
- This Appraisal Report does not contemplate any unknown or latent defect associated with the equipment appraised. The physical inspection of the equipment was conducted by visual means only. Unless otherwise noted, and if applicable, we have accepted Capitol City Trailer, Inc.'s statements as to the physical attributes and operating capacities of the items without further verification or testing.
- We reserve the right to recall or amend this Appraisal Report to correct any omission or error.
- Unless otherwise noted, we have made no investigation of and assume no responsibility for title to the items appraised. The sale of any of the items appraised is made without benefit of warranties and/or return privileges that are normally available with an ongoing business. Furthermore, the Appraisal is based upon the premise that there is no existing contractual agreements, restrictions, or obligations that would preclude the sale of the items, as defined in this Appraisal Report.

Statement of Assumptions and Limiting Conditions (Continued)

- This Appraisal Report does not attribute any value to inventory items, general intangibles, and/or intellectual properties. This includes, but is not limited to: patents, royalties, license agreements, contractual agreements, trademarks, trade names, customer lists, product lines, tooling, software, engineering or designs, etc.
- Environmental considerations from any source are beyond the scope of this Appraisal. We recommend this matter be addressed by a qualified environmental specialist.

Appraisal Certification

I certify, to the best of my knowledge and belief:

- The statements of facts within this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and my personal, impartial, unbiased professional analysis, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest or bias with respect to the parties involved.
- My compensation is not contingent upon the reporting of predetermined values or direction in value that favors the cause of the client, the amount of the values estimated, the attainment of a stipulated result, or the occurrence of a subsequent event.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice and the American Society of Appraisers Code of Ethics.

Appraisal Certification (Continued)

- No person provided significant professional assistance to the person(s) signing this Report.
- This report is subject to a peer review by the ASA.

Authorized Signature(s)

A handwritten signature in black ink, appearing to read "Michael E. Winterfeld", written in a cursive style.

**Michael E. Winterfeld, ASA
Taylor & Martin, Inc.**